

OFFICE OF MANAGEMENT & BUDGET & DEPARTMENT OF ENERGY
2004 INVENTORY GUIDANCE SUMMARY

OMB GUIDANCE

OMB has not made any significant changes to its inventory requirements for this year. OMB's guidance for the 2004 IGCA Inventory may be accessed through the Office of Competitive Sourcing/A-76 (OCS) Internet web page at <http://www.ma.mbe.doe.gov/a-76>, through the "FAIR Act Inventory" link.

However, **the Department will apply, for the first time in the 2004 inventory, the revised definition of what can be considered to be an inherently governmental activity.** The new definition was published in the revised OMB Circular A-76 of May 2003. OMB modified the general descriptions associated with the commercial Reason Codes to conform to the requirements of the new Circular without altering their intent. Further explanation of these revisions and impact on your coding decisions is provided in Attachment 4, Department of Energy Inherently Governmental and Commercial Activities Inventory, *Guide to Inventory Submission of May 2004*.

DOE GUIDANCE

OMB requires the submission of the IGCA Inventory in a specified electronic spreadsheet format. We will use an updated version of Microsoft Excel software based data collection tool used last year. Instructions and training related to the use of the updated data collection tool is available through the web page referenced above.

The FAIR Act and OMB guidance requires us to describe the Department's inherently governmental and commercial activities on an FTE basis. While many offices previously utilized a single OMB Function Code to define all of the activities of a particular position within their organizations, doing so is neither necessary nor required. In fact, making an effort to break out the activities of a position and using the Function Code(s) that more accurately describe each of those activities could make the inventory a more useful tool. This multi-coding concept is further explained in the attachments.

The Lead Program Secretarial Offices (LPSOs), the Competitive Sourcing Official (CSO) and the OCS, in conducting their reviews of the 2004 submissions, will focus on the following:

Does the inventory reflect complete, separable and recurring commercial functions? FTEs should not be considered inherently governmental and eliminated from the commercial activities portion of the inventory based only upon existing organizational structures, if doing so would result in the elimination of work that would otherwise be included in the scope of a full performance service contract. In other words, if a FTE is designated as performing an inherently governmental activity that could be expected to be included in a contract's statement of work for contractor performance of a complete, separable and recurring commercial function, it should be coded, now, as a FTE performing a commercial activity.

Does the reported number of FTEs correspond to the FTE level (including vacancies) for FY 2004, as set forth in the FY 2005 budget?

The Headquarters Departmental Elements identified in Attachment 3 are responsible for reviewing and verifying the accuracy of the information provided by their organization and any constituent field organizations. The Under Secretary for Nuclear Security will ultimately provide the verification of inventory accuracy to the Secretary for NNSA organizations. Other DOE organizations reporting to the Deputy Secretary and the Under Secretary for Energy, Science, and Environment, will verify the accuracy of their inventory and transmit it to the Secretary through the Director, Office of Management, Budget and Evaluation/Chief Financial Officer. The Deputy Secretary has required the OCS to review and retain the verifications.

It is expected that all higher-level reviews will be accomplished with the intent of encouraging consistency among their organizations' coding of FTEs. All departmental elements are discouraged from coding FTEs in the various Function Code broad Functional areas' Function Code categories such as "Administrative Support" or "Other..." Rather, those FTEs should be tied into the more descriptive of the Functional area Function Codes.

REQUIRED SUBMISSIONS

By **June 4, 2004**, each office listed in Attachment 3 will:

Update and revise the data in the Excel data collection tool provided to your organization. Submit the 2004 data by returning it to the OCS by e-mail addressed to mark.hively@hq.doe.gov and to dennis.o'brien@hq.doe.gov.

In addition to returning the 2004 inventory data, submit a narrative attached to an e-mail to the e-mail addresses listed above, explaining changes made to the data as compared to your 2003 submission, in accordance with the guidance in Attachment 4.

The organizations designated in Attachment 1 as being required to submit copies of their draft written inherently governmental and Reason Code A justifications will provide the electronic files containing the justifications to the OCS at the e-mail addresses listed above.

Regarding the review of the justifications, an assessment of the justifications acceptability will be made. If there are concerns about the viability of an organization's justifications, those concerns will be communicated to the organization. Those offices that are not required to submit their written justifications for review on June 4th should have them available and provide them for review or submission to the CSO for signature upon the request of the OCS.

Between June 4, 2004 and June 18, verifying offices and the OCS will review and work with the submitting organizations to make any necessary changes to inventory data.

By **June 18, 2004**, those offices identified in Attachment 3 as responsible for inventory verification will submit a memorandum substantively similar to that contained in the Attachment 5 sample memoranda, verifying the accuracy, completeness, and consistency of data submitted by their organization.

Copies of this memorandum, attachments and the data collection tool will be provided to the IGCA Inventory Point(s) of Contact for your organization. A list of the points of contact can be found in Attachment 1. If the list is incorrect or you wish to add an alternate please contact us.

If you have any questions or require additional information regarding this guidance, please contact Mark R. Hively, by e-mail to mark.hively@hq.doe.gov or by telephone at 202-586-5655 or Dennis O'Brien, Director, OCS, at 202-586-1690 (Office fax: 202-586-1972) or by e-mail to dennis.o'brien@hq.doe.gov.